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SUBJECT: EMBASSY MINSK WEEKLY POL/ECON REPORT - August 10, 2007

11. The following are brief items of interest compiled by Embassy Minsk.

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Civil Society

12. Malady Front Appeals Registration Denial

The opposition youth organization Malady Front (MF) filed an appeal with the Minsk City Court on August 3, challenging its latest registration denial. The court announced the denial on July 10 ostensibly due to "errors" in the MF charter. MF spokesperson Boris Goretskiy asserted the group will keep applying for registration despite the bureaucracy and GOB's pretexts for denial.

13. Human Rights Group to Assist Political Victims

Opposition and civil society members met on August 3 and announced plans to create a database of persecuted political activists. The group's co-founder and prominent human rights advocate Igor Rynkevich maintained that the group will provide assistance to activists facing criminal and administrative charges or police detention. Rynkevich said that the victims should be entitled to compensation by a post-Lukashenka government. The group also issued a statement protesting recent repression of opposition youth activists.

14. Minsk Authorities Deny Application for Demonstration

On August 7, Minsk officials rejected an application by the "For Freedom" movement to hold demonstrations in solidarity with political prisoners held by the government of Belarus. The official reason given was that the requested locations were unavailable due to preparations for Minsk's 940th anniversary celebration.

15. Catholics and Protestants Pray Together in Grodno

On August 8, approximately 70 Catholics and Protestants, including Uniates, joined together in collective prayer for freedom of conscience in Belarus and the preservation of certain historical sites in Grodno. Organizers plan to hold similar prayer sessions on a monthly basis.

16. Svetlogorsk Merchants Protest Audits and Seizures

On August 6, approximately 150 market vendors held a protest in the central square of Svetlogorsk, Gomel oblast, in response to a recent wave of unscheduled audits and seizures of thousands of dollars worth of merchandise. Government agents from tax, sanitation and other agencies conducted the raids. Local officials said that these actions were part of a move by the regional organized crime department to combat racketeering and corrupt officials. The protestors called on vendors throughout Belarus to participate in a nationwide strike on September 1.

17. Teen Charged with Working for Unregistered Group

On August 7, authorities charged Anastasiya Azarka, an 18-year old Malady Front activist from the city of Nesvizh, Minsk Oblast, with acting on behalf of an unregistered political organization. As noted above in para 2, authorities have continued to reject the

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registration application of MF since its creation over a decade ago. Several of its members are currently facing sentences similar to Azarka's or are serving prison terms for MF-related activities. If convicted, Azarka faces fines or imprisonment for up to two years under Article 193-1 of the Belarusian Criminal Code.

Domestic Economy

18. Belarus' Reserves up 76 percent through July

According to the data posted on Belarus' National bank website, the country's hard currency and gold reserves increased 76 percent in January-July period to USD 3.1 billion. The major increase came from Russian energy firm Gazprom's USD 625 million transfer to Belarus' national development fund. This payment was for the first 12.5 percent of its eventual 50 percent stake in Beltransgaz.

19. Belarus Sixth of Eight in CIS GDP Growth

The CIS Statistics Committee ranked Belarus six out of eight CIS countries in GDP growth for the first half of 2007, with a growth rate of 8.6 percent. This places Belarus behind Russia at 9.1 and ahead of Ukraine at 7.9. Azerbaijan led the rankings with a growth rate of 35.1 percent, followed by Armenia at 11.2, Uzbekistan at 9.7, and Kyrgyzstan with 9.2. Tajikistan was last, with a rate of 7.3 percent. The four other CIS countries did not have data available for the ranking. The Committee also reported that Belarus, along with Russia, was fifth in industrial output growth with a rate of 7.7 percent.

International Trade

10. Iranian Parliamentarians Visit Minsk

On August 5, a delegation from the parliament of Iran arrived in

Minsk for a five-day visit. The trip includes meetings with GOB representatives from the National Assembly and visits to significant industrial, commercial and historical sites. In public remarks, the delegation's leader Mohammad Mehdi Pour-Fatemis stressed the strategic importance of Belarus-Iran relations, mutual concern with U.S. dominance in a unipolar world order, and the two countries' active involvement in the Non-Aligned Movement. Both sides expressed plans to expand economic cooperation and trade. Anatoly Pavlovich, a Belarusian legislator, spoke of hopes to increase annual trade between Iran and Belarus -- which currently amounts to less than 50 million dollars -- by ten times in the next five years.

¶11. Iranian Company to Invest USD 100 Million

Iranian Ambassador to Minsk Abdolhamid Fekri announced August 6 that an Iranian company will invest USD 100 million in a hydroelectric plant in Belarus. He also mentioned that other Iranian companies are considering pursuing similar interests in Belarus, and that a joint working group is planning to hold a meeting in Tehran to discuss cooperative energy projects.

¶12. Chavez Confirms Belarus Applied for Loan

Venezuelan President Hugo Chavez confirmed that President Lukashenka requested a loan. Belarus seeks to secure funds to offset the higher energy prices it now pays to Russia. Speaking at a news conference in Buenos Aires on August 7, Chavez said the request is under consideration, as his country always tries to help friends, who, like Venezuela, constantly face aggression and attacks from the United States.

¶13. Belarus to Continue Talks with Russia over Loan

Belarus' First Deputy Prime Minister Vladimir Semashko told reporters on August 8 that the GOB will continue talks with Russia to secure a USD 1.5 billion loan to mitigate higher energy costs. Russia reportedly insisted on settling all outstanding payments before discussing the loan. According to Semashko, Belarus needs foreign investment and loans to maintain its high economic growth.

¶14. Quote of the Week

President Lukashenka on the wonders of the internet:

"It's time to end the anarchy in the Internet. We should not allow this great technical achievement of humankind to turn into an information sewer," he said, suggesting enacting a law that would specify the status of online media outlets. "We'll not be pioneers

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in this regard, such practices exist in many states," he noted.

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